REMARKS

The present Amendment amends claim 1 and leaves claim 20 unchanged. Therefore, the present application has pending claims 1 and 20.

Claim 1 stands rejected under 35 USC §112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regards as their invention. Various amendments were made throughout claim 1 to bring it into conformity with the requirements of 35 USC §112, second paragraph. Therefore, this rejection with respect to claim 1 is overcome and should be withdrawn.

Specifically, amendments were made throughout claim 1 to overcome the objections noted by the Examiner in the Office Action.

Claims 1 and 20 stand rejected under 35 USC §103(a) as being unpatentable over Scheer (U.S. Patent Application Publication No. 2002/0161674) in view of Nagata (U.S. Patent Application Publication No. 2002/0077979). This rejection is traversed for the following reasons. Applicants submit that the features of the present invention as now recited in claims 1 and 20 are not taught or suggested by Scheer or Nagata whether taken individually or in combination with each other as suggested by the Examiner. Therefore, Applicants respectfully request the Examiner to reconsider and withdraw this rejection with respect to claims 1 and 20.

Amendments were made to the claims to more clearly describe features of the present invention as recited in the claims. Particularly, amendments were made to the claims to recite that the present invention is directed to an inventory control system in which a safety stock calculating means is provided for newly calculating a safety stock value based upon a

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parameter including standard deviation and the updating setting value, each time the setting value is updated, to thereby update a current safety stock value.

In the Office action on page 5 in the section "Response to Arguments" the Examiner alleges that in "Scheer, it is disclosed that '... supplies will become the basis for subsequent prediction ... replacing safety stock levels throughout the supply chain (see Scheer [0245])'" and that "in [0132-0133], Scheer discusses replenishing customer safety stock inventory if the customer had to use inventory in the maintenance task, a possible setting value."

However, at no point in any of these passage of Scheer note by the Examiner is there a teaching of a process where <u>a calculation is performed, by safety stock calculating means, to determine a safety stock value based upon a parameter including standard deviation and the updated setting value, each time the setting value is updated, to thereby update a current safety stock value</u>. No such process is taught or suggested by Scheer.

According to the present invention the methods used to newly calculate a safety stock value based on a parameter including standard deviation and the updated setting value are illustrated, for example, in Figs. 10 and 11 and described in the corresponding portions of the present application. Particularly, according to the present invention each time the setting value is updated the updated setting value effects the predicted demand and such affect on the predicted demand requires a new safety stock. Thus, the present invention calculates the new safety stock based on a parameter

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including standard deviation and the updated setting value so as to update the current safety stock.

The above described features of the present invention now more clearly recited in the claims are not taught or suggested by any of the references of record whether taken individually or in combination with each other. Particularly, the above described features of the present invention now more clearly recited in the claims are not taught or suggested by Scheer or Nagata whether taken individually or in combination with each other as suggested by the Examiner in the Office Action.

Scheer relates generally to supply chain management and, more particularly, relates to a method for fulfilling an order in an integrated supply chain management using networked computer systems. While generally responsive to the needs of the supply chain partners, the previous systems and methods, as taught by Scheer do suffer, among other disadvantages, the disadvantage of requiring human involvement in the analysis, planning, and approval stages. To overcome this and other disadvantages prevalent in currently implemented supply chain management tools, the present invention was developed.

Scheer teaches a method for fulfilling an order in a supply chain. Generally, the method is performed by receiving an advance demand notice representative of the order that includes a specification of one or more items of interest to the customer and using a network of intelligent agents to stage and manage the items specified in the advance demand notice within the supply chain as a function of a probability of need for each item.

More specifically, the method taught by Scheer is performed by extracting from a customer system information pertaining to the work order that specifies a piece of equipment to be repaired and items expected to be used during the repair procedure, determining, using an equipment knowledge base, a probability that each of the items will be needed to effect the repair procedure, and using the determined probability to stage the items within the supply chain whereby the items are made ready for use in the repair procedure. Additional steps that may be added to the method as taught by Scheer include extracting from the customer system information pertaining to a completion of the repair procedure and using the information pertaining to the completion of the repair procedure to populate the equipment knowledge base for use in future probability of need calculations.

Scheer upon performing a keyword search for the term "safety stock", the term was found in claim 15 and paragraphs [0024], [0039], [0132], [0133], [0235] and [0245]. However, Scheer does not teach or suggest a method of newly calculating the safety stock when setting values are updated as in the present invention. In Scheer, the inventory is managed and controlled with reference to the safety stock already been set and remains the same value even if other values change contrary to that of the present invention.

Nagata teaches that although exchange parts such as toner cartridges are required in or to continuously use a copying machine or a printer, when such parts are used up new guaranteed parts are required. Nagata discloses the technique of coping with a problem of pirated or unauthorized exchange parts which have qualities that are not guaranteed on the market. Nagata discloses, as the technique of solving such a problem, a system for

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immediately discriminating whether or not a part is a genuine part and a system for charging different fees when the parts are not genuine.

The charging system of Nagata is the post-paid type where the charging is made after using the parts. Further, Nagata discloses the charging system relating to the usage of exchangeable parts (hardware) such as toner.

In contrast, the charging system according to the present invention is a prepaid type rather than the post-paid type as taught by Nagata. Further, the charging system according to the present invention is a charging system relating to the usage of an inventory control system (for the software) not that of the use of parts as taught by Nagata.

Thus, each of Scheer and Nagata fails to teach or suggest an inventory control system having safety stock calculating means for calculating safety stock based upon a parameter including standard deviation, wherein the safety stock calculating means newly calculates a safety stock based upon the parameter and an updated setting value, each time the setting value is updated, to thereby update a current safety stock as recited in the claims.

Therefore, since each of Scheer and Nagata fails to teach or suggest the features of the present invention as now more clearly recited in the claims, combining the teaching of Scheer and Nagata in the manner suggested by the Examiner in the Office Action does not render obvious the claimed invention. Accordingly, reconsideration and withdrawal of the 35 USC §103(a) rejection of claims 1 and 20 as being unpatentable over Scheer in view of Nagata is respectfully requested.

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The remaining references of record have been studied. Applicants submit that they do not supply any of the deficiencies noted above with respect to the references utilized in the rejection of claims 1, 2, 4-7 and 20.

In view of the foregoing amendments and remarks, Applicants submit that claims 1 and 20 are in condition for allowance. Accordingly, early allowance of the present application based on claims 1 and 20 is respectfully requested.

To the extent necessary, the applicants petition for an extension of time under 37 CFR 1.136. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, or credit any overpayment of fees, to the deposit account of MATTINGLY, STANGER, MALUR & BRUNDIDGE, P.C., Deposit Account No. 50-1417 (500.43002X00).

Respectfully submitted,

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